Office of the Commissioner of Lobbying of Canada

2013–14

Departmental Performance Report

The Honourable Tony Clement, PC, MP
President of the Treasury Board

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Foreword

Departmental Performance Reports are part of the Estimates family of documents. Estimates documents support appropriation acts, which specify the amounts and broad purposes for which funds can be spent by the government. The Estimates document family has three parts.

Part I (Government Expenditure Plan) provides an overview of federal spending.

Part II (Main Estimates) lists the financial resources required by individual departments, agencies and Crown corporations for the upcoming fiscal year.

Part III (Departmental Expenditure Plans) consists of two documents. Reports on Plans and Priorities (RPPs) are expenditure plans for each appropriated department and agency (excluding Crown corporations). They describe departmental priorities, strategic outcomes, programs, expected results and associated resource requirements, covering a three-year period beginning with the year indicated in the title of the report. Departmental Performance Reports (DPRs) are individual department and agency accounts of actual performance, for the most recently completed fiscal year, against the plans, priorities and expected results set out in their respective RPPs. DPRs inform parliamentarians and Canadians of the results achieved by government organizations for Canadians.

Additionally, Supplementary Estimates documents present information on spending requirements that were either not sufficiently developed in time for inclusion in the Main Estimates or were subsequently refined to account for developments in particular programs and services.

The financial information in DPRs is drawn directly from authorities presented in the Main Estimates and the planned spending information in RPPs. The financial information in DPRs is also consistent with information in the Public Accounts of Canada. The Public Accounts of Canada include the Government of Canada Consolidated Statement of Financial Position, the Consolidated Statement of Operations and Accumulated Deficit, the Consolidated Statement of Change in Net Debt, and the Consolidated Statement of Cash Flow, as well as details of financial operations segregated by ministerial portfolio for a given fiscal year. For the DPR, two types of financial information are drawn from the Public Accounts of Canada: authorities available for use by an appropriated organization for the fiscal year, and authorities used for that same fiscal year. The latter corresponds to actual spending as presented in the DPR.

The Treasury Board *Policy on Management, Resources and Results Structures* further strengthens the alignment of the performance information presented in DPRs, other Estimates documents and the Public Accounts of Canada. The policy establishes the Program Alignment Architecture of appropriated organizations as the structure against which financial and non-financial performance information is provided for Estimates and parliamentary reporting. The same reporting structure applies irrespective of whether the organization is reporting in the Main Estimates, the RPP, the DPR or the Public Accounts of Canada.

A number of changes have been made to DPRs for 2013–14 to better support decisions on appropriations. Where applicable, DPRs now provide financial, human resources and

performance information in Section II at the lowest level of the organization's Program Alignment Architecture.

In addition, the DPR's format and terminology have been revised to provide greater clarity, consistency and a strengthened emphasis on Estimates and Public Accounts information. As well, departmental reporting on the Federal Sustainable Development Strategy has been consolidated into a new supplementary information table posted on departmental websites. This new table brings together all of the components of the Departmental Sustainable Development Strategy formerly presented in DPRs and on departmental websites, including reporting on the Greening of Government Operations and Strategic Environmental Assessments. Section III of the report provides a link to the new table on the organization's website. Finally, definitions of terminology are now provided in an appendix.

Commissioner's Message

I am pleased to present the 2013–14 Departmental Performance Report for the Office of the Commissioner of Lobbying. My mandate is threefold: maintaining a registry of lobbyists that is accessible to Canadians; fostering greater awareness of the requirements of the *Lobbying Act*; and ensuring compliance with the *Lobbying Act* and the *Lobbyists' Code of Conduct*.

The *Lobbying Act* is based on the premise that lobbying is legitimate and must be conducted in a transparent manner. The Registry of Lobbyists continues to be the primary instrument for the public disclosure of lobbying activities at the federal level. The Registry of Lobbyists allows Canadians to know who is lobbying federal public office holders and about which issues. Since I became Commissioner, several aspects of the Registry have been improved. This year, I focused on developing new online tools, in collaboration with our stakeholders, to assist lobbyists with the registration process.

As announced in Budget 2012, my Office's budget was reduced by five percent, beginning in 2013–14. I minimized the impact of this budget reduction by deferring further development of the Lobbyists Registration System and by reducing our reliance on external consultants. The maintenance of the system continues to be a priority.

I believe that awareness and understanding of the requirements of the *Lobbying Act* and the *Lobbyists' Code of Conduct* are key to compliance. My staff and I regularly meet with lobbyists, elected officials and their staff, and senior managers of the federal public service, among others to ensure that the requirements of both are known and understood.

In July 2013, there was a historic first conviction for a breach of the *Lobbying Act*, specifically for failure to register as a consultant lobbyist. The conviction resulted in a fine of $7,500 for the individual. Following the conviction, I used my authority under the *Lobbying Act* to prohibit the individual from lobbying for a period of four months. I believe the conviction and the subsequent prohibition send the message to anyone lobbying the federal government that contravening the Act carries consequences.

In September 2013, I launched a public consultation to help me determine whether amendments to the *Lobbyists' Code of Conduct* were warranted. I was pleased with the range of perspectives heard during the consultation. The results of the Code consultation were published in a report in May 2014. Based on the comments I heard during the consultation and on my own experience in administering the Code, I intend to develop a revised Code. I will then launch a consultation in the fall to solicit the views of stakeholders.

As my Office matures, the efforts I have deployed to streamline the operations are yielding results in terms of greater efficiency. Improved business planning and efficient use of limited resources have mitigated the impact of fiscal constraints and cost containment in recent years. In spite of the 2012 budget reduction my organization

implemented, I believe that the organization is in good stead to continue to deliver on my mandate.

I look forward to the challenges and opportunities that the coming year will bring, particularly as I undertake to revise the *Lobbyists' Code of Conduct*.

Karen E. Shepherd
Commissioner of Lobbying

Section I: Organizational Expenditure Overview

Organizational Profile

Deputy Head: Karen E. Shepherd

Enabling Instrument: *Lobbying Act*, R.S.C., 1985, c. 44 (4th Supp.)[i]

Year of Incorporation: 2006

Other: The Office of the Commissioner of Lobbying supports the Commissioner of Lobbying, who is an independent Agent of Parliament.

Organizational Context

Raison d'être

The Office of the Commissioner of Lobbying (OCL) supports the Commissioner of Lobbying, the Agent of Parliament responsible for the administration of the *Lobbying Act* (the Act). The legislation seeks to improve transparency and accountability regarding communications between lobbyists and federal public office holders and increase the confidence of Canadians in the integrity of government decision-making.

Responsibilities

The Commissioner of Lobbying is responsible for the administration of the *Lobbying Act*. The authority of the Commissioner is derived from the Act.

The mandate of the Commissioner is threefold:

1. Establish and maintain the Registry of Lobbyists, which contains and makes public the information disclosed by lobbyists;
2. Develop and implement educational programs to foster public awareness of the requirements of the Act; and
3. Undertake administrative reviews and investigations to ensure compliance with the Act and the *Lobbyists' Code of Conduct* (the Code).

Under the Act, the Commissioner of Lobbying has the authority to grant exemptions to former designated public office holders who are subject to a five-year prohibition on lobbying activities.

The Commissioner reports annually to Parliament on the administration of the Act and the Code. At the end of any investigation, the Commissioner is also required to submit a Report on Investigations to Parliament, to present her findings, conclusions, and the reasons for her conclusions.

Strategic Outcome(s) and Program Alignment Architecture

1. **Strategic Outcome**: Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making.

   1.1. **Program**: Registration of Lobbyists

   1.2. **Program**: Education and Research

   1.3. **Program**: Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*

   Internal Services

Organizational Priorities

Organizational Priorities

Priority	Type[1]	Program
Ensure integrity of the Registry of Lobbyists through improved documentation.	New	Registration of Lobbyists
Summary of Progress		
The OCL implemented a five-percent budget reduction in 2013–14, which primarily affected the Registry of Lobbyists by deferring the development of new features and functionalities in the system. In order to maintain the integrity of the system, significant work was undertaken to review and update all system documentation for the Registry. This work ensures that system documentation reflects current business rules and that the Registry will continue to operate regardless of personnel changes or short term absences.		

Priority	Type	Program
Develop and implement online tools and materials to facilitate the registration of lobbyists by increasing their awareness and understanding of the *Lobbying Act*.	New	Registration of Lobbyists
Summary of Progress		
In 2013–14, several new online tools for lobbyists were developed. These included: • a set of Frequently Asked Questions for lobbyists that was published online; • a flowchart, entitled "Are you required to register in the federal Registry of Lobbyists?", which is intended to help potential lobbyists determine whether they should register their activities; • an annotated *Lobbying Act* that is available online to aid lawyers, lobbyists, potential lobbyists and other stakeholders interested in better understanding the lobbying legislation; • an updated *Guide to Registration* that will be published in 2014–15; and • registration worksheets to assist registrants and their representatives with the registration process that will be published online in 2014–15.		

1. Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the DPR.

Priority	Type	Program
Undertake public consultations to inform a review of the *Lobbyists' Code of Conduct*.	New	Education and Research

Summary of Progress

A public consultation was launched in September 2013 to help the Commissioner determine whether a revision of the *Lobbyists' Code of Conduct* is warranted. A discussion paper was posted on the OCL website to solicit views from stakeholders. Nineteen written submissions were received from consultant and in-house lobbyists, academics and others. In addition, five roundtable discussions were held to consult directly with lobbyists, public office holders and other stakeholders. All views, comments and suggestions received were analyzed and incorporated into a report that was published in May 2014 on the OCL website. The Commissioner, in her report, indicated that she will revise the *Lobbyists' Code of Conduct* over the summer of 2014 and will consult on a revised Code in the fall.

Priority	Type	Program
Implement and refine the process for prioritization and completion of files.	Ongoing	Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*

Summary of Progress

The OCL has improved its approach to managing its caseload of compliance files. It now conducts a regular review of the gravity and complexity of each file, as well as timeframes for completion. The caseload of each Senior Investigator is planned and prioritized using pre-established criteria, and progress is charted within project management software. The new approach ensures an effective and efficient management of the new workload. As a result, the backlog of compliance files inherited from the previous office was eliminated, the year-to-year carry-over of open administrative review files was reduced, and applicable service standards were met. A segregated network was also implemented to digitally safeguard and internally transfer sensitive information from investigation files. The segregated network will also provide an ideal platform to install an automated case management system for investigation files in 2014–15.

Priority	Type	Program
Develop a more strategic approach to compliance verification.	New	Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*

Summary of Progress

The OCL reviewed existing compliance verification processes with a view to developing new approaches that will identify trends or causes for non-compliance. Existing media monitoring, communication confirmation and compliance audit processes have been supplemented with new, more proactive verification processes, including analyses of lobbying on specific issues in sectors of the economy. In addition, an approach to systematically verify the timeliness and accuracy of selected registrations was implemented and the registrants were advised of the outcomes.

A Compliance Advisory Team was created in 2013–14 to bring together employees from several areas of the OCL under the leadership of the Director of Investigations. Objectives of the team include analyzing data, identifying issues and sectors where lobbying takes place, and addressing potential compliance issues. The team meets monthly to identify issues, share expertise and develop recommendations and proposals about compliance verification initiatives.

Priority	Type	Program
Continue to strengthen the OCL management accountability framework in order to further improve its approach to priority-setting and better communicate its performance story to Parliament and Canadians.	Ongoing	Internal Services

Summary of Progress

The capacity of the organization in the areas of performance measurement and program evaluation was improved in 2012–13 with the development and implementation of a performance measurement strategy. This strengthens the OCL's ability to monitor progress towards expected outcomes. This year, work in this area supported the development of the multi-year evaluation plan that was completed in 2013–14. This plan identifies the Research and Education Program as the program of interest for the OCL's first program evaluation, planned for 2015–16.

In 2013–14, work was undertaken to further improve the OCL's performance measurement framework. The OCL will participate in Treasury Board's 2015–16 Management Resources Results Structure Amendment process.

Risk Analysis

Key Risks

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Information Technology Security	This risk was identified as a result of the internal audit of the Lobbyists Registration System conducted in 2012–13. This risk was also documented in the Corporate Risk Profile, updated in 2013–14. To address this risk, the OCL deployed a segregated network in 2013–14. In 2014–15, the focus will be to use this network to more securely safeguard compliance-specific information in a digital format. Policies and practices will be developed to guide the utilization of the segregated network.	Internal Services Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*
Integrity and accessibility of the Lobbyists Registration System	This risk was identified in the 2013–14 RPP. The OCL minimizes registration delays by preventing system interruptions. The OCL created a new position and hired a Systems and Business Analyst whose responsibilities are, in part, to document the Registry's processes, which will protect the integrity of the Registry in the long term. Creating a development environment for the Lobbyists Registration System on the segregated network will allow the OCL to more easily manipulate, analyse and report on Registry data. It is important for data integrity that information be posted in the Registry in a timely manner. The OCL will also improve data integrity by educating lobbyists about the importance of submitting monthly communication reports in a timely basis.	Registration of Lobbyists Education and Research
Legal challenges to a decision made by the Commissioner	This risk was identified in the 2013–14 RPP. There is a risk that legal advice may not be readily available in order to ensure that legal issues or challenges are appropriately addressed, or that litigation is well supported. This would have a significant impact on the ability to prepare a legal defence for the Office in a timely manner. The assessment of likelihood reflects the fact that there is no substitute employee or clear arrangement for the continuity of legal services to be provided in the event of prolonged absence or departure of the Senior Counsel. External firms have been identified that could provide legal services without being in a conflict of interest.	Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Lobbyists fail to comply with the *Lobbying Act* because they do not understand the requirements	This risk was documented in the Corporate Risk Profile, updated in 2013–14. To address this risk, the OCL is implementing new measures in the area of compliance verification. Advisory letters will be issued to ensure that those who should register understand the requirements of the Act and register if required. In addition, the OCL will focus efforts on raising awareness of the timelines for filing monthly communication reports prescribed in the *Lobbying Act*.	Registration of Lobbyists Education and Research Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*

In managing the information technology (IT) infrastructure that supports the Registry of Lobbyists and other systems, a number of risks related to IT security have been identified. Potential implications for such risks include a loss of confidence in the information contained in the Registry. The OCL continues to strengthen its management accountability framework to mitigate these risks. The introduction of a segregated network will enhance the security environment in two key areas: protection of digital information relating to compliance files, and management of the Lobbyists Registration System.

The integrity of the Registry and its accessibility to Canadians are important to ensuring transparency. The OCL reviews and approves lobbyists' registrations and ensures that the Registry is available with minimum system interruptions. The implementation of a segregated network will allow the OCL to better and more efficiently plan for Registry improvements, within a secure development environment.

In 2013–14, 11.9% of monthly communication reports were filed late. This may be a result of registered individuals, organizations and corporations not being aware of disclosure and requirements to file on time. Likewise, individuals, organizations and corporations may fail to register because they are not aware that the *Lobbying Act* applies to them. The OCL will implement measures to improve notifications in the Registry so that lobbyists who file late monthly communication reports are made aware that they have done so. At the same time, outreach products will be reviewed and updated to ensure that the importance of adhering to the prescribed timeline is emphasized. The OCL will also increase the number of advisory letters sent to potential registrants to ensure that those at risk of non-compliance are made aware of the requirements of the Act. This will be achieved by implementing new strategic compliance verification activities.

The Commissioner's decisions with respect to administrative reviews, investigations and applications for exemption may be subject to judicial review by the Federal Court. The OCL conducts reviews and investigations that are fair, thorough and well-documented, with the intention that they will withstand judicial scrutiny. In administering the Act and the Code, sound legal advice is necessary to provide appropriate responses to emerging legal issues, challenges or litigation. The absence of substitute staff or clear arrangements

for the continuity of legal services to be provided in the event of prolonged absence or departure of the Senior Counsel is a significant risk. External firms have been identified to provide alternate sources of legal services, and it is crucial that they remain without conflict of interest. The reliance on external firms to supplement internal legal services capacity may prove to be costly. In addition, there is a risk that outside counsel may require time to become familiar with legislative and regulatory requirements that are relatively complex to administer.

An Audit and Evaluation Committee (AEC) was established in 2009 as an independent advisory committee to the Commissioner of Lobbying. The AEC provides objective advice and recommendations to the Commissioner regarding the organization's risk management, control and governance frameworks and processes (including accountability, auditing, evaluation and reporting systems). The AEC meets four times a year.

Actual Expenditures

Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	Difference (actual minus planned)
4,423,541	4,468,857	4,736,449	4,463,523	(5,334)

Human Resources (Full-Time Equivalents [FTEs])

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
28	27	(1)

Budgetary Performance Summary for Strategic Outcome and Programs (dollars)

Strategic Outcome, Programs and Internal Services	2013–14 Main Estimates	2013–14 Planned Spending	2014–15 Planned Spending	2015–16 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2012–13 Actual Spending (authorities used)	2011–12 Actual Spending (authorities used)
Strategic Outcome: Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making								
Registration of Lobbyists	811,818	811,818	824,989	824,989	891,366	887,751	1,124,001	1,037,644
Education and Research	810,294	810,294	800,084	780,733	821,744	732,456	924,150	939,571
Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*	1,097,392	1,097,392	1,143,118	1,137,784	1,166,898	1,080,788	1,019,962	1,106,171
Strategic Outcome Subtotal	**2,719,504**	**2,719,504**	**2,768,191**	**2,743,506**	**2,880,008**	**2,700,995**	**3,068,113**	**3,083,386**
Internal Services Subtotal	**1,704,037**	**1,749,353**	**1,916,951**	**1,688,794**	**1,856,441**	**1,762,528**	**1,677,201**	**1,778,204**
Total	**4,423,541**	**4,468,857**	**4,685,142**	**4,432,300**	**4,736,449**	**4,463,523**	**4,745,314**	**4,861,590**

Over the years, the OCL's reference levels have remained stable. The adjustments made throughout the years were mostly related to compensation for signed collective agreements and corresponding adjustments to the Employee Benefits Plan.

In 2013–14, the OCL's planned and actual spending were on target.

The OCL's spending has remained fairly constant over the last few years. The decrease in expenditures in 2012–13 compared to 2011–12 was mainly due to the payments incurred for termination and severance liquidation payments in fiscal year 2011–12.

The variance between the 2012–13 actual spending and the 2013–14 actual spending is primarily due to a 5% ($230K) budget reduction announced in Budget 2012.

The difference in planned spending for 2014–15 compared to future years is the result of the anticipated lapse to be carried forward from 2013–14 of approximately $199K and the reimbursement of maternity leave expenditures. Otherwise, the planned spending for future years is expected to remain constant.

Alignment of Spending With the Whole-of-Government Framework

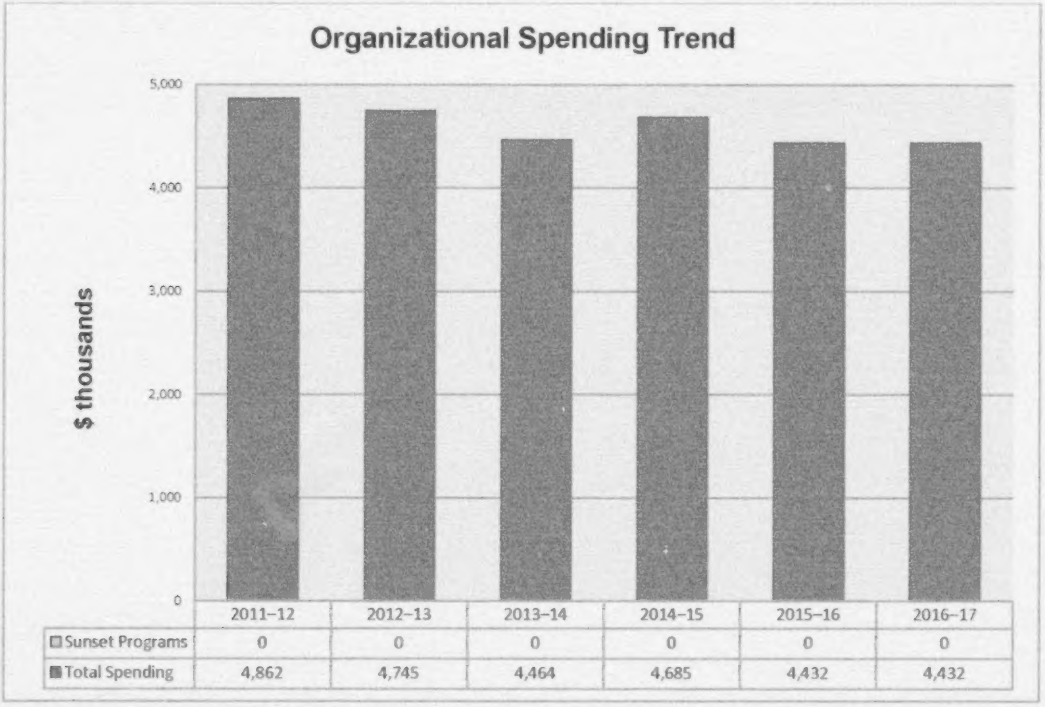
Alignment of 2013–14 Actual Spending With the Whole-of-Government Framework[ii] (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2013–14 Actual Spending
Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making	1.1 Registration of Lobbyists	Government Affairs	A transparent, accountable, and responsive federal government	887,751
	1.2 Education and Research	Government Affairs	A transparent, accountable, and responsive federal government	732,456
	1.3 Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*	Government Affairs	A transparent, accountable, and responsive federal government	1,080,788

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic Affairs	-	-
Social Affairs	-	-
International Affairs	-	-
Government Affairs	2,719,504	2,700,995

Organizational Spending Trend



	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17
Sunset Programs	0	0	0	0	0	0
Total Spending	4,862	4,745	4,464	4,685	4,432	4,432

The decrease in actual spending in 2013–14 in comparison to fiscal years 2011–12 and 2012–13 is due mainly to the 5% budget reduction announced in Budget 2012.

The variance in the 2014–15 planned spending and future years is the result of the anticipated lapse to be carried forward from 2013–14 of approximately $199K and the reimbursement of maternity leave expenditures. Otherwise, the planned spending for future years is expected to remain constant.

Estimates by Vote

For information on the Office of the Commissioner of Lobbying of Canada's organizational Votes and statutory expenditures, consult the *Public Accounts of Canada 2014* on the Public Works and Government Services Canada website.[iii]

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome

Transparency and accountability in the lobbying of public office holders contribute to confidence in the integrity of government decision-making.

Program 1.1: Registration of Lobbyists

Description

Lobbying the federal government is a legitimate activity but it must be done transparently. The *Lobbying Act* requires that individuals who are paid to lobby public office holders must disclose certain details of their lobbying activities. The Office of the Commissioner of Lobbying approves lobbyists' registrations and makes them available for searching in an electronic registry that is accessible on the Internet.

Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
811,818	811,818	891,366	887,751	75,933

Human Resources (Full-Time Equivalents [FTEs])

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
7	7	0

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Lobbyists can register in accordance with the requirements of the *Lobbying Act*.	Percentage of registrations that are processed within three business days.	100% of registrations received are processed within three business days.	99.9% of registrations were processed within three business days.
Canadians have access to information about lobbyists and lobbying activities.	Percentage of time the Registry of Lobbyists is available to Canadians.	The Registry of Lobbyists is available to the public 95-98% of the time.	The Registry of Lobbyists was available to the public 99.3% of the time.

Performance Analysis and Lessons Learned

The Registry is a well-used resource, and was searched more than 176,000 times in 2013–14. The impact of the 5% budget reduction announced in Budget 2012 was mitigated by deferring enhancements to the Lobbyists Registration System. However, maintenance of the system remains a priority. In addition, measures were taken to

strengthen the system's documentation and to ensure the Registry remains robust, stable and accessible to lobbyists and the public.

The OCL continued to provide assistance and guidance to registrants as required, whether by phone, email, via webinars, or in person. In 2013–14, 99.9% of all registrations were processed within three business days, which is the established service standard. The OCL handled more than 2,100 phone enquiries regarding the Registry of Lobbyists, the registration process, and the application of the *Lobbying Act* and the *Lobbyists' Code of Conduct*.

Three new tools were launched for lobbyists this year, to help improve compliance. Tools included:

- a flowchart that walks potential lobbyists through a series of questions about their activities to help them determine if registration is required;
- a "Frequently Asked Questions" document, that provides lobbyists and potential lobbyists with information to understand key features and requirements of the Act; and
- an annotated *Lobbying Act* to assist lawyers, lobbyists, potential lobbyists and other stakeholders to better understand the Act.

Other tools, such as an updated *Guide to Registration* and worksheets for registration were developed and will be published in 2014–15.

Program 1.2: Education and Research

Description

The Office develops and implements educational and research programs to foster awareness of the requirements of the *Lobbying Act* and the *Lobbyists' Code of Conduct*. The primary audiences for programs are lobbyists, their clients and public office holders.

Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
810,294	810,294	821,744	732,456	(77,838)

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
7	6	(1)

Performance Results

Expected Result	Performance Indicator	Target	Actual Result
Lobbyists, their clients, public office holders and the public are aware of the requirements of the *Lobbying Act*.	Awareness of the Act on the part of lobbyists, their clients, public office holders and the public is medium to high.	80% say that their awareness is medium to high.	No survey to measure awareness levels was conducted this year. However, the vast majority of the more than 1,100 participants at outreach meetings and presentations indicated a medium to high level of awareness and understanding of the Act.

Performance Analysis and Lessons Learned

In 2013–14, the Commissioner and her staff met with more than 1,100 individuals, including lobbyists, public office holders, academics, and parliamentarians and their staff.

Information sessions and meetings with individual and groups of lobbyists foster an in-depth understanding of the legal and ethical requirements of the lobbying regime. These meetings allow the OCL to identify areas or issues where further clarification is required to facilitate registration and ensure compliance with the *Lobbying Act* and the *Lobbyists' Code of Conduct*. Likewise, targeted communications with public office holders allow the OCL to raise their awareness of the legislation and ensure that they recognize the legitimacy of lobbying when it is done in a transparent and ethical manner. Such communications included:

- meetings with the deputy ministers of the 20 most-lobbied federal departments; and
- presentations as part of select courses and events offered by the Canada School of Public Service.

The OCL did not administer a survey to measure the awareness levels of lobbyists, their clients, public office holders and the public. However, examination of multiple lines of evidence suggests that awareness of the scope and requirements of the *Lobbying Act* is improving, mainly as a result of the wide range of educational tools and activities provided by the OCL. The depth and complexity of questions asked of the Commissioner and OCL staff during outreach presentations indicated that knowledge of the Act and the Code is medium to high for the majority of those attending these events. In addition, targeted outreach events, advisory letters sent to potential registrants, one-on-one information sessions with lobbyists, and considerable media coverage all contribute to increasing the awareness level of those who need to understand the regime.

Current and former designated public office holders who are subject to the five-year prohibition on lobbying contained in the *Lobbying Act* are another key target group for outreach. Staff continued to meet with current and former designated public office holders as they consider employment opportunities outside the public service. This contributes to compliance with the *Lobbying Act*.

The Code came into force in 1997 and has not been reviewed since then. The Commissioner determined that this was an opportune time to undertake a review of the Code. To that effect, the Commissioner launched a public consultation to solicit views from stakeholders. The consultation process was stimulated by a discussion paper that was published online by the Commissioner. A total of 19 written submissions were received from a variety of stakeholders, including consultant and in-house lobbyists, academics, and others. Five roundtable discussions were also organized to consult directly with lobbyists, public office holders and other stakeholders. All views, comments and suggestions received during the consultation were analyzed and presented in a report published in May 2014. The consultation confirmed the value of the Code in providing guidance about what behaviours are expected from those who lobby at the federal level. A number of suggestions were offered to improve the Code. Based on these suggestions and on her own experience in administering the Code, the Commissioner concluded that revisions to the Code were warranted. A revised Code will therefore be developed. A consultation will be conducted in the fall to solicit the views of stakeholders.

Program 1.3: Reviews and Investigations under the *Lobbying Act* and the *Lobbyists' Code of Conduct*

Description

The Office of the Commissioner of Lobbying validates information provided by registered lobbyists to ensure accuracy. Allegations of non-registration or misconduct by lobbyists are reviewed and formal investigations are carried out when required.

Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
1,097,392	1,097,392	1,166,898	1,080,788	(16,604)

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
8	7	(1)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Suspected, alleged or known breaches of the *Lobbying Act* and the *Lobbyists' Code of Conduct* are reviewed or investigated and appropriate measures taken to ensure compliance.	Percentage of suspected, alleged or known breaches of the Act or Code that are subject to review or investigation.	100% of suspected, alleged, or known breaches are subject to review or investigation.	100% of suspected, alleged or known breaches were subject to review or investigation.
Information contained in monthly communication reports submitted to the Office of the Commissioner of Lobbying is accurate and complete.	Percentage of monthly communication reports that are found accurate.	90-95% of reports are found to be accurate and complete.	92.6% of reports were found to be accurate and complete.

Expected Results	Performance Indicators	Targets	Actual Results
Exemptions from the five-year prohibition are granted or denied in a manner consistent with the purposes of the *Lobbying Act*.	Percentage of exemption reviews completed to the point of the letter of intent within 60 days.	100% of exemption reviews are completed to the point of the letter of intent within 60 days.	100% of exemption reviews were completed to the point of the letter of intent within 60 days.

Performance Analysis and Lessons Learned

Compliance with the *Lobbying Act* and the *Lobbyists' Code of Conduct* ensures the public that lobbying activities are transparent and conducted in an ethical manner.

For the third year, the review and investigation file caseload was reduced by completing more files than were opened. This achievement included completing the remaining three files inherited from the predecessor of the Commissioner of Lobbying, the former Registrar of Lobbyists. The OCL's end-of-year carry-over of administrative review files was reduced from 36 files to 32 files. The caseload of investigation files remained unchanged, at five files. The OCL assesses the gravity and potential impact of individual cases, in order to assign a priority order to each file in the caseload.

Seventeen administrative reviews and two investigations were opened during the year. Twenty-one administrative reviews were completed and reports submitted to the Commissioner containing recommendations for suitable compliance measures.

The investigation of an alleged offence under the *Lobbying Act* was suspended and the file was referred to the RCMP as required by the Act. One individual appeared in court after being charged by the RCMP for failing to file a consultant lobbyist registration as required under subsection 5(1) of the Act. The individual pled guilty and was fined $7,500 under the *Lobbying Act*, marking the first conviction under the Act. Subsequently, the Commissioner imposed a four-month prohibition on lobbying on the individual.

Letters were sent to 112 designated public office holders (DPOHs) requesting that they verify the information contained in 554 monthly communication reports. A total of 41 errors were identified, the majority of which were clerical in nature. The OCL advised registrants of errors and instructed them to amend or delete incorrect entries. Communicating with DPOHs increases their awareness of lobbying activity and of the reporting requirements with which lobbyists must comply.

The OCL also processes applications for exemption from the five-year prohibition on lobbying for former designated public office holders. Thirteen applications for exemption were received during the 2013–14 fiscal year, more than in any other year since the coming into force of the *Lobbying Act*. Fifteen reviews were completed, which resulted in the granting of seven exemptions by the Commissioner. Eight applications were denied. All reviews were completed within established service standards. Exemptions granted by the Commissioner are posted on the OCL website.

In 2013–14, the OCL deployed a segregated computer network, primarily to safeguard sensitive information on administrative reviews and investigations in a digital form. The segregated network also provides a platform to build an automated compliance-specific case management system, scheduled to go live in 2014–15. An automated case management system will improve efficiencies in compliance file management. It will also ensure that the results of reviews and investigations are communicated on a timely basis.

Internal Services

Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not those provided specifically to a program.

Given the mandate of the OCL to develop and implement educational programs to foster public awareness of the requirements of the *Lobbying Act*, Communications Services are not included in Internal Services, but rather form part of the Education and Research program.

Budgetary Financial Resources (dollars)

2013–14 Main Estimates	2013–14 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2013–14 Difference (actual minus planned)
1,704,037	1,749,353	1,856,441	1,762,528	13,175

Human Resources (FTEs)

2013–14 Planned	2013–14 Actual	2013–14 Difference (actual minus planned)
6	7	1

Performance Analysis and Lessons Learned

In 2013–14, the OCL strengthened its IT security capacity by implementing a segregated computer network. This network provides capacity to store and easily exchange sensitive information in a digital format. It is not connected to the Internet and is accessible by a select group of OCL employees. The first goal is to focus on enforcement and other compliance-related data, to be expanded at a later date to other sensitive data. The segregated network went live in March 2014 in its most basic form, and subsequent phases of the deployment are scheduled for 2014–15.

Progress was also made in the area of performance measurement and evaluation. A performance measurement strategy was developed, and work was undertaken to allow the

OCL to participate in the Management, Resources and Results Structure amendment process for 2015–16. In addition, a multi-year evaluation plan was developed in 2013–14. The plan identifies the Research and Education program as the object of the OCL's first program evaluation, scheduled for 2015–16.

Section III: Supplementary Information

Financial Statements Highlights

Office of the Commissioner of Lobbying of Canada
Condensed Statement of Operations and Departmental Net Financial Position
(unaudited)
For the Year Ended March 31, 2014 (dollars)

	2013–14 Planned Results	2013–14 Actual	2012–13 Actual	Difference (2013–14 actual minus 2013–14 planned)	Difference (2013–14 actual minus 2012–13 actual)
Total expenses	5,369,221	5,423,052	5,451,811	53,831	(28,759)
Total revenues	-	-	-	-	-
Net cost of operations before government funding and transfers	5,369,221	5,423,052	5,451,811	53,831	(28,759)
Net financial position	540,244	561,182	871,929	20,938	(310,747)

The majority of the OCL's expenses (62%) relate to salaries and employee benefits.

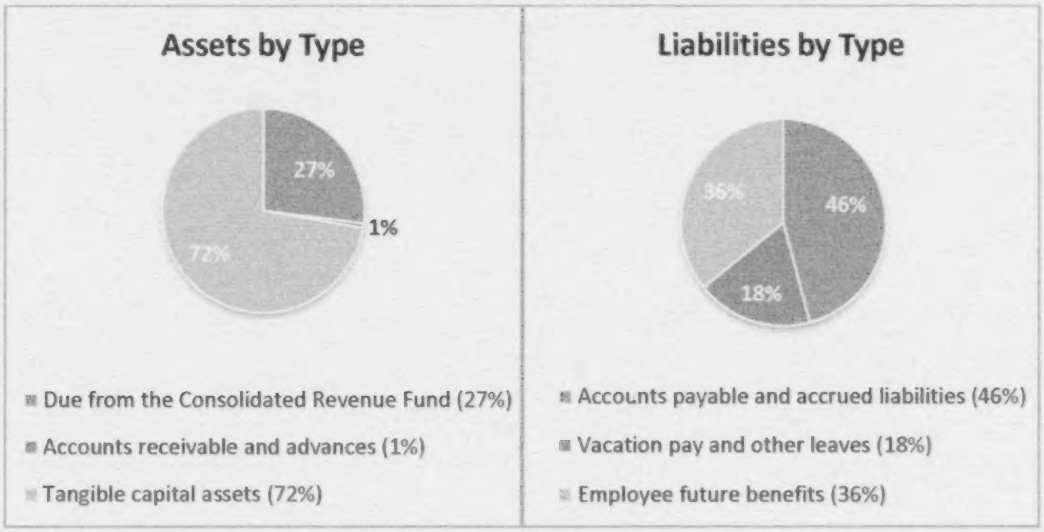
The professional and special services expenses (21%) include the costs incurred by the OCL with other government departments for the provision of most of its corporate services, including information technology, human resources management and financial services. The amortization of tangible capital assets represents 7% of total expenditures.

Office of the Commissioner of Lobbying of Canada
Condensed Statement of Financial Position (unaudited)
As at March 31, 2014 (dollars)

	2013–14	2012–13	Difference (2013–14 minus 2012–13)
Total net liabilities	859,272	748,034	111,238
Total net financial assets	393,901	258,501	135,400
Net debt	465,371	489,533	(24,162)
Total non-financial assets	1,026,553	1,361,462	(334,909)
Net financial position	561,182	871,929	(310,747)

The increase in total net liabilities (15%) is mainly due to an increase in accounts payable and vacation pay and other leaves ($186k) and a decrease in the employee future benefits ($75k). The total net financial assets increase (52%) is mostly related to the increase in amounts due from other government departments.

The total non-financial assets decrease (25%) is primarily attributable to the amortization of assets resulting in the reduction of the net book value of tangible capital assets.



Financial Statements

The OCL's financial statements [iv] can be found on the OCL website.

Supplementary Information Tables

The supplementary information tables listed in the *2013–14 Departmental Performance Report* can be found on the OCL website.

- Organizational Sustainable Development Strategy [v]
- Internal Audits and Evaluations [vi]
- Response to Parliamentary Committees and External Audits [vii]

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations*[viii] publication. The tax measures presented in the *Tax Expenditures and Evaluations* publication are the sole responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

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René Leblanc
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Fax: 613-957-3078
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Appendix: Definitions

appropriation: Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures: Include operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report: Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent: Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes: A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure: A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures: Include net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance: What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

performance indicator: A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting: The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending: For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plans: The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities: Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program: A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

results: An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

Program Alignment Architecture: A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities: Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

Strategic Outcome: A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program: A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

whole-of-government framework: Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

i Justice Canada – *Lobbying Act*, R.S.C., 1985, c. 44 (4th Supp.): http://laws.justice.gc.ca/eng/acts/L-12.4/

ii Whole-of-government framework: http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx

iii *Public Accounts of Canada 2014*: http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html

iv Performance Reports – Financial Statements: http://ocl-cal.gc.ca/eic/site/012.nsf/eng/h_00114.html

v Organizational Sustainable Development Strategy: http://ocl-cal.gc.ca/eic/site/012.nsf/eng/00968.html

vi Internal Audits and Evaluations: http://ocl-cal.gc.ca/eic/site/012.nsf/eng/00967.html

vii Response to Parliamentary Committees and External Audits: http://ocl-cal.gc.ca/eic/site/012.nsf/eng/00970.html

viii *Tax Expenditures and Evaluations* publication: http://www.fin.gc.ca/purl/taxexp-eng.asp